

3

91406



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

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Tick this box if you
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Level 3 Accounting 2022

91406 Demonstrate understanding of company financial statement preparation

Credits: Five

| Achievement | Achievement with Merit | Achievement with Excellence |
|---|--|---|
| Demonstrate understanding of company financial statement preparation. | Demonstrate in-depth understanding of company financial statement preparation. | Demonstrate comprehensive understanding of company financial statement preparation. |

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

You should attempt ALL the questions in this booklet.

Pull out Resource Booklet 91406R from the centre of this booklet.

If you need more room for any answer, use the extra space provided at the back of this booklet.

Check that this booklet has pages 2–12 in the correct order and that none of these pages is blank.

Do not write in any cross-hatched area (///). This area may be cut off when the booklet is marked.

YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.

Do not use abbreviations in your answers, except for particulars in General Ledger accounts.

QUESTION ONE

Refer to **Resource A** in the resource booklet to answer this question.

- (a) Complete the following accounting entries relating to the payment of the interim dividend and the share issue. Dates are indicated to record the relevant transaction or account balance.

**Go Rafting Limited
General Journal**

| | | | |
|----------|-----------------------------|--|--|
| 15/12/21 | | | |
| | | | |
| | | | |
| | <i>Pay interim dividend</i> | | |

**Go Rafting Limited
General Ledger
Contributed equity**

| | | | | | |
|----------|--|--|--|--|--|
| 01/04/21 | | | | | |
| 01/07/21 | | | | | |
| | | | | | |

- (b) Complete the following distribution notes at 31 March 2022.

Go Rafting Limited
Notes to the Financial Statements (extract)

| Distributions | Cents per share | \$ |
|--|-----------------|----|
| | | |
| | | |
| | | |
| | | |
| Dividends declared after reporting date | | |
| | | |

- (c) Complete the current liability section of *Go Rafting Limited's* Statement of Financial Position as at 31 March 2022. Include the sub-total for current liabilities.

Go Rafting Limited
Statement of Financial Position (extract) as at 31 March 2022

| | | |
|----------------------------------|--|--|
| Current liabilities | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Total current liabilities | | |

Question One
continues on page 4 ►

- (d) Explain the impact of the revaluation of the shares in *RLS Limited* on the current assets and equity in the statement of financial position.

In your answer, use relevant figures and include the impact on:

- financial assets reported in current assets
- retained earnings reported in equity.

QUESTION TWO

Refer to **Resource A** in the resource booklet to answer this question.

- (a) Complete the following accounting entries relating to the revaluation of the buildings.

**Go Rafting Limited
General Journal**

| | | | |
|----------|---|--|--|
| 31/03/21 | | | |
| | | | |
| | | | |
| | <i>Transfer (close) accumulated depreciation to buildings on revaluation.</i> | | |

**Go Rafting Limited
General Ledger
Buildings revaluation surplus**

| | | | | | |
|----------|--|--|--|--|--|
| 31/03/22 | | | | | |
| | | | | | |
| | | | | | |

- (b) Complete the following extract from the Statement of Comprehensive Income for the year ended 31 March 2022 to record the income tax expense and other comprehensive income. Profit before tax has been entered for you.

**Go Rafting Limited
Statement of Comprehensive Income (extract) for the year ended 31 March 2022**

| | | |
|-----------------------------------|--|---------|
| Profit before tax | | 263 000 |
| | | |
| | | |
| Other comprehensive income | | |
| | | |
| | | |
| | | |

Question Two
continues on page 6 ►

- (c) Complete the following extracts from the notes to the financial statements. Additions and disposals are not required in the Property, plant and equipment note (extract).

Go Rafting Limited
Notes to the Financial Statements (extract)

| | |
|----------------|--|
| Revenue | |
| | |
| | |
| | |
| | |

Go Rafting Limited
Notes to the Financial Statements (extract)

| | |
|--|------------------|
| Property, plant and equipment (extract) | |
| | Buildings |
| For the year ended 31 March 2022 | |
| Opening carrying amount | |
| | |
| | |
| Closing carrying amount | |

- (d) Explain the impact of paying provisional tax on *Go Rafting Limited's* current liabilities as at 31 March 2022.

In your answer, use relevant figures and explain:

- what the provisional tax of \$52 300 represents
- how the provisional tax impacts on the current liabilities as at 31 March 2022.

QUESTION THREE

Refer to **Resource B** in the resource booklet to answer this question.

- (a) Complete the operating and investing activity sections of *TPK Limited's* Statement of Cash Flows for the year ended 31 March 2022 on the next page.

Show your working in the space below. This may be used for marking purposes.

Working

TPK Limited
Statement of Cash Flows (extract) for the year ended 31 March 2022

| | \$ 000 | \$ 000 | \$ 000 |
|-----------------------------|--------|--------|--------|
| Operating activities | | | |
| Cash was provided from | | | |
| | | | |
| | | | |
| Cash was applied to | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| Investing activities | | | |
| Cash was provided from | | | |
| | | | |
| | | | |
| Cash was applied to | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Question Three
continues on page 10 ►

(b) Use relevant information to complete the retained earnings General Ledger account for the year ended 31 March 2022.

**TPK Limited General Ledger
Retained earnings**

| | | | | | |
|----------|--|--|--|--|--|
| 01/04/21 | | | | | |
| 31/03/21 | | | | | |
| | | | | | |
| | | | | | |

(c) Explain in detail the reporting of dividends paid in the cash flow statement. In your answer, use relevant figures and:

- identify the activity section the dividends paid will be reported in
- explain the impact of the dividends paid on the closing bank balance.

Extra space if required.
Write the question number(s) if applicable.

**QUESTION
NUMBER**

